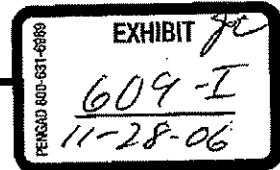


Exhibit 39

Gagne, Roderick

From: Lee, Darcy C.
Sent: Friday, April 27, 2001 12:55 PM
To: Gagne, Roderick
Subject: RE: SFC NY letter



RR: SFC NY letter

Yes, this is the final draft he gave to me today. Will send today. Thanks!

Sent via Federal Express

April 27, 2001

Mr. Frank Mackin
New York Department of Banking
2 Rector Street
New York, NY 10006

SUBJECT: Student Finance Corporation ("SFC") - Lender License Application

Dear Mr. Mackin:

Enclosed please find, per your request of January 19, 2001, a detailed loan history ledger for a sample student loan made by SFC. The ledger shows all disbursements made to the school and payments made by the student borrower throughout the life of the loan. Also enclosed is the corresponding loan agreement/promissory note containing the APR disclosure.

During your phone conversation of January 19, 2001, with Darcy C. Lee, a legal assistant at this firm, you expressed concern over the reserve fund arrangement SFC has with its participating schools and how that arrangement affects the accuracy of the APR calculation made by SFC. In response to that, please consider the following information.

SFC's promissory notes and disclosures have been reviewed by counsel for compliance with Regulation Z and have been verified as being in compliance by the legal staff of the Federal Reserve Board in Washington, D.C. which is the primary federal regulator that interprets Regulation Z. SFC uses validated methodologies to compute the annual percentage rate as specified by Regulation Z and the Truth-in-Lending Act. SFC's disclosures are subject to review by the Delaware State Banking Commissioner's office which has examined them. SFC is also subject to the jurisdiction of the Federal Trade Commission for violations of the Truth-in-Lending Act.

Due to rising costs of education there is a gap between funds available from federal, state and local aid grant programs and the cost of tuition. To compensate for this gap between the cost of education and the availability of aid, schools have been forced to increase the amount of their own loans and grants. In many cases, schools have been forced to discount their revenue by

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Mr. Frank Mackin

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offering scholarships for some students and in other cases finance long-term receivables by offering their own loans to students. Internally administered loan programs subject the school to cash flow problems and economic risk. SFC's program enables a school to free up its cash flow and reduce its risk based on a system of discounts and reserves. The school signs a contract with SFC's affiliate, Student Marketing Service, LLC, which markets SFC's loans to schools.

We enclose a copy of the school contract for your review. At the time of the consummation of each loan, the school pays a discount/program fee to SFC for implementation of the loan program at the school. We emphasize that the fee is payable by the school to SFC in consideration for the school receiving immediate funds alleviating the funding and cash flow issues to the school discussed above. The loan program/discount fee is not in anyway paid by or due from the student. Should the school fail to pay the fee, the school is still obligated to provide education to the student. Moreover, the school's failure to pay the discount/program fee does not enable SFC to enforce any right to the fee against the student. SFC's only recourse in the event the school failed to pay the discount/program fee would be against the school.

The school also places some of the loan proceeds into a fund to act as a reserve for any loan defaults that may occur. The reserve funds belong to the school and if all loans are repaid on a timely basis, the school will recover all of the funds in the reserve account. The reserve account was modeled after the forbearance account under Sallie Mae's guaranteed student loan program. The school substantially assumes the credit risk only during the early, most risky stages of the loan. Under the program, the reserve fund is used to pay for defaults that may occur from early nonpayment or from students who do not complete their education. The amount of each loan that is withheld and contributed to the reserve fund varies with the classification of each individual student. Students are classified based on SFC's proprietary credit scoring model. However, if the student makes the requisite payments on the loans the reserve is returned to the school.

We hope this letter has been responsive to your concerns, if so, please issue SFC's Lender License as soon as possible. If you still have concerns about SFC's program and the accuracy of its disclosures, call me at (302) 777-6560 and I would be glad to speak with you about it.

Sincerely,

Richard P. Eckman

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